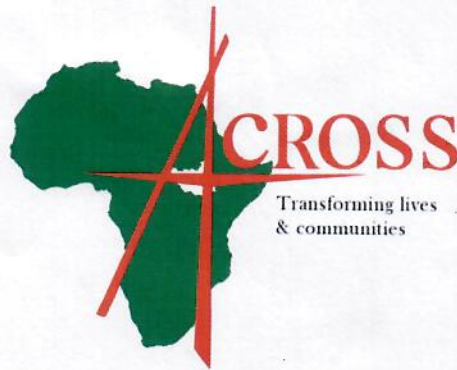


International Liaison Office

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Website: www.across-ssd.org

TERMS OF REFERENCE

FOR PROJECT EXTERNAL AUDIT SERVICES:

INTRODUCTION

ACROSS is an inter-denominational Christian organization initially founded in 1972 by four mission societies: Africa Inland Mission (AIM), Sudan United Mission (SUM), Sudan Interior Mission (SIM), and Mission Aviation Fellowship (MAF). Originally formed to allow these organizations a platform on which they could serve what was then Sudan.

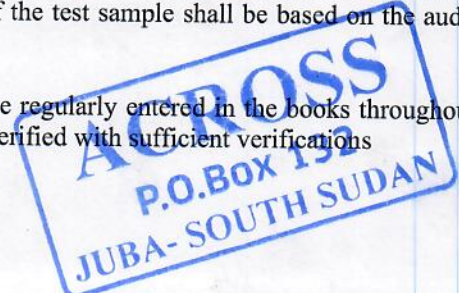
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The audit shall be carried out in accordance with International Standards on Auditing (ISA) issued by The International Auditing and Assurance Standards Board (IAASB). The audit shall be carried out by an external, independent and qualified auditor (Certified Public Accountant/Authorized Public Accountant/Chartered Accountant).

OBJECTIVES AND SCOPE OF THE AUDIT

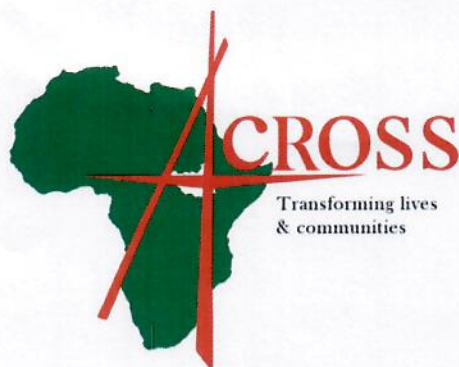
- 1- The objective is to audit the ACROSS financial reports as submitted to CBM and express an audit opinion in accordance with ISA 800/805 on whether the financial report of the ACROSS project is in accordance with the ACROSS accounting records and CBM's requirements for financial reporting (as stipulated in the agreement, in the financial report template and relevant parts of CBM Finance and Administration Guidelines).
- 2- Examine whether there is compliance with the procurement rules according to the agreement.
- 3- Examine, assess and report on compliance with the terms and conditions of the agreement and applicable national laws and regulations regarding accounting and taxes.
- 4- The auditor shall determine if supporting documentation relating to reported expenditure is available and if the documentation verifies the reported expenditures. The size of the test sample shall be based on the auditor's risk analysis and should be stated in the report.
- 5- Examine whether the personnel costs debited to the project are regularly entered in the books throughout the year in a systematic way and whether the salary costs can be verified with sufficient verifications



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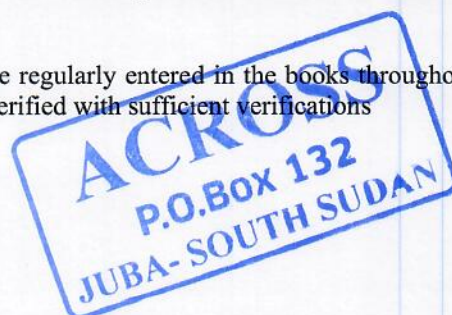
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- 6- Examine that the financial report includes a comparison between the approved budget and actual costs for each aggregated budget line for the period under audit with justified explanations for significant variances.
- 7- The auditor shall base on materiality and risk, review whether the reported costs have sufficient verifications. Have exchange rate gains/losses been accounted for in accordance with the agreement, including appendices, and in accordance with the Guidelines for Exchange rate management
- 8- Examine use of dedicate project bank accounts including but not limited to terms as specified in grant agreement.
- 9- Examine and provide assurance on projects asset and or inventory updated as per expected standard, reported and where applicable appropriate disposal arrangements made for assets as prescribed in Across guideline.
- 10- The auditor shall report the amount of funds for which financial reporting does not meet required standards. If the local partner channels funds to succeeding recipient partners, the auditor shall examine if the local partner has entered into an agreement with the succeeding recipient partner and if the local partner has passed its obligations regarding audit and reporting on to the succeeding recipient partner.
- 11- The auditor shall also examine if the succeeding recipient partner has audited and submitted financial reports in accordance with the ACROSS agreement with CBM and that the local partner has satisfactory routines/resources for acting on received audit reports from the succeeding recipient partner.

AUDIT PERIOD

The audit will be for the period of two financial years i.e., September 2021 – August 2023

THE REPORTING

The auditor shall issue an independent Audit Report, Management Letter and an “Agreed-upon procedures report” for all ongoing projects and projects concluded and ready for final reporting.

Projects that are due for final reporting later in the year are not required to be part of the project audit, but shall instead be audited in conjunction with the final reporting. The reporting shall be signed by the responsible auditor (not just the audit firm) and shall include the title of the responsible auditor.

AUDIT REPORT

The reporting shall contain an assurance that the audit was performed in accordance with international standards (ISA 800/805) and by a qualified auditor.

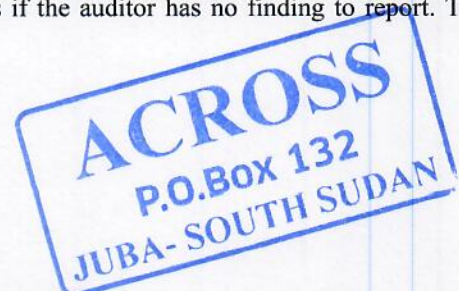
The reporting shall contain the number of the project and the responsible auditor’s signature and title (not just the audit firm). The reporting shall express if the audit refers to a financial report during the implementation of the project or the final report. Upon final reporting, the amount of total costs for the previous year and the total costs for the whole duration of the project shall be reported.

The reporting shall contain an audit opinion in accordance with ISA 800/805 on whether the financial report of the ACROSS project is in accordance with the ACROSS accounting records.

The report shall also express an opinion in accordance with ISA 800/805 on whether the financial report is in accordance with the ACROSS agreement with CBM and the instruction for financial reporting stipulated in that agreement.

MANAGEMENT LETTER

The auditor shall submit a Management Letter, which shall contain the audit findings (based on the financial report, not the entire organisation). The Management Letter shall also express if the auditor has no finding to report. The reporting shall contain the number of the project.



The management letter shall contain the items listed below. A description of the scope of the audit and the audit methodology used by the auditor. Information on which measures the local partner has implemented as a result of previous audits/ donor missions reports and whether or not the measures implemented have been adequate to rectify the reported shortcomings. If the previous audit did not have any findings or weaknesses to be followed-up on, a clarification of this shall be disclosed in the audit reporting.

The auditor shall make recommendations to address any weaknesses identified. The recommendations should be presented in order of priority and with a risk classification. If the local partner channels contributions to succeeding recipient partners, the Management Letter shall express an opinion of the audit report from the succeeding recipient partners. Substantial findings and recommendations shall be included as well as information of an action plan in response to the findings.

AGREED-UPON PROCEDURES REPORT

The auditor shall also submit a report in accordance with ISRS 4400 based on the procedure's engagement below. Performed procedures should be described and the observations should be reported separately in the Agreed-upon procedures report.

If the auditor finds that the information in the Agreed-upon procedures report includes the information that would have been in the Management Letter, the Management Letter is not required. In this case, it shall be stated in the Agreed-upon procedures report that no Management Letter is issued for this reason.

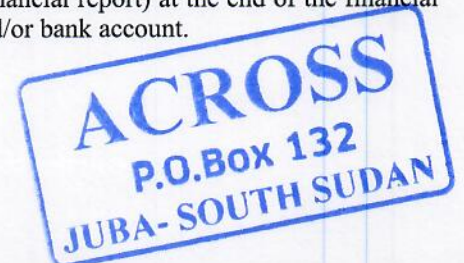
The assignment shall cover the agreed-upon procedures engagement in accordance with ISRS 4400:
Observe whether the financial report is structured in a way that allows for direct comparison with the latest approved budget.

1- Observe and inspect whether the financial report provides information regarding:

- a) Financial outcome per budget line (both incomes and costs) for the reporting period and columns for cumulative information regarding earlier periods under current agreement.
- b) When applicable, compare if the opening fund balance for the reporting period matches with what was stated as closing fund balance in the previous reporting period.
- c) A disclosure of exchange gains/losses. Inquire and confirm whether the disclosure includes the entire chain of currency exchange from CBM's disbursement to the handling of the project/programme within the organisation in local currency/ies, if applicable.
- d) Explanatory notes (such as, for instance, accounting principles applied for the financial report).
- e) Amount of funds that has been forwarded to implementing partners, when applicable.

Choose a sample of three individuals for three different months and:

- a) Inquire and inspect with what frequency salary costs during the reporting period are debited to the project/programme.
- b) Inquire and inspect whether there are supporting documentation for debited salary costs. c. Inquire and inspect whether actual time worked is documented and verified by a manager. Inquire and inspect within which frequency reconciliations between debited time and actual worked time is performed.
- c) Inspect whether the local partner comply with applicable tax legislation with regard to personal income taxes (PAYE) and social security fees.
- d) Inspect and confirm that the unspent fund balance (according to the financial report) at the end of the financial year is in line with information provided in the accounting system and/or bank account.



- e) Applicable the final year: Inspect and confirm the unspent fund balance (including exchange gains) in the financial report and confirm the amount that shall be repaid to CBM.
- f) Ask and inspect whether agreed overhead costs are based on a cost recovery model. Collect information about overhead costs charged within the project/programme and confirm that these costs are in accordance with the ACROSS routines for allocating overhead costs to different projects.
- g) Inspect whether there is a reconciliation between budgeted overhead costs and actual overhead costs on an annual basis

QUALIFICATION / REQUIREMENTS

The firm must meet the following minimum requirements to be considered for the evaluation pursuant of this request for proposal.

- 1- Firm profile
- 2- Valid certificate of incorporation, chamber of commerce, operational license, tax registration
- 3- Valid tax compliance certificate
- 4- Firm Registration certificate with a recognized accounting body
- 5- Valid Auditor's practicing license from a recognized accounting body
- 6- Membership certificate for the Audit team in a good standing
- 7- Detailed CVs of key personnel
- 8- Three reference letters

All applicants must be members of the Institute of Certified Public Accountants / Chartered Accountants of a recognized accounting body. Affiliations with international audit firm is an asset.

EVALUATION CRITERIA

The criteria for evaluation and selection of the Auditor or an Audit firm will be based on the following headings on a percentage split between the quality aspect of your technical and financial

S/N	Evaluation Area	Score
1	Technical competency and experience in humanitarian sector	10%
2	Detailed Audit plan, and audit approach	10%
3	Competency and experience of audit team to be deployed	25%
4	Experience in audit of international organizations (INGO)	20%
5	Compliance with minimum requirements	10%
6	Audit fees	25%
	Total	100%

SUBMISSION OF PROPOSALS

Both **Technical** and **financial** proposals should be sent via email to procurement@across-ssd.org and Cc to headoffinance@across-ssd.org, financeanalyst@across-ssd.org making reference in the subject line as follows:

Subject: "**Provision of External Audit services**".

Hard copies in a sealed envelope can be dropped at our office located in Buluk off ministries Road Next to UNHCR during working days Monday – Friday 8:00 AM – 3:00 PM

NB: ACROSS reserves the right to reject any application(s) without disclosing the reasons

The deadline for application submission is at 1700Hrs Friday 28th July 2023. NB: All technical inquiries should be addressed to financeanalyst@across-ssd.org no later than 14th July 2023

